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From: Reg Lopez
To: Woller, Janie
Date: 1/21/2004 2:55:37 PM
Subject: Fwd: Suggestion re APS Rates

Janie, here is the one re: APS that I voice mailed you about. I believe you are the one working on this.
Thx!

P.S. Plz let me know asap if you aren't the one working on this.

>>> "gene cohen" <genecohen@cox.net> 1/20/2004 1:23:08 PM >>>
Dear Arizona Corporation Commissioners and the Utility Division:

I have been a resident of Phoenix for more than 25 years. This email sets out a suggested way that the APS rates easily could be restructured, which, if implemented, I believe would be beneficial both to residential consumers (APS customers) and to APS.

Current Plan: There appear to be three plan from which residential consumers may choose: (i) The Time Advantage and the Combined Advantage Plan, where the time of day you use electricity determines how much you pay; and (ii) the Standard Plan, where the dollar amount of your bill depends on the total amount of electricity you use. Not only are these difficult to understand, when I phoned APS this morning to try to determine which plan would be best for me, the rep could not say and could not explain the plans in any comprehensible way. Indeed, even the website says that, unless one has a year of experience at a location, one cannot determine which plan is best.

The Ideal Approach: The ideal plan would charge customers more when they use electricity at times that it costs APS more to provide that electricity, and charge customers less when it costs APS less to provide that electricity. It would seem that the three current plans attempt to implement such an approach, but their complexity and APS's inability to advise customers which plan is "right" for them necessarily mean there is great slippage in the system, at great cost to customers and to APS.

Solution: My Proposed Approach: All that APS has to do is publish rates that tell customers what the rate charge is for electricity used at any particular time(s) on any particular day(s). That would be easy for everyone to understand, and customers who used more electricity when it cost APS less would pay less, and those who used more electricity when it cost more would pay more. And, whenever APS's costs changed, it could change the published rates.

Under the proposed solution there would not be neither the guesswork nor the slippage that plagues the current system. Moreover, it would encourage customers to act in their own best interest because they then, unlike now, would have sufficient information to make economical decisions in their own best interest. In sum, it would be a win-win for all concerned.

Your attention to this proposal is appreciated.

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Arizona Corporation Commission

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